

ITEL

RECORDATION NO. 14935 C Filed 1425

JUN 2 1986 -12 45 PM

May 29, 1986

INTERSTATE COMMERCE COMMISSION

Itel Rail Corporation

55 Francisco Street
San Francisco, California 94133
(415) 984-4000Honorable James H. Bayne, Secretary
Interstate Commerce Commission
Washington, DC 20423

\$10.00 filing fee

Re: Rider B to Master Lease No. 1100 dated February 28, 1986 Between Itel Rail Corporation and Iowa Interstate Railroad, Ltd.

Dear Mr. Bayne:

On behalf of Itel Rail Corporation, the above instrument, in four (4) counterparts, is hereby submitted for filing and recording pursuant to 49 USC §11303(a), along with a check in the amount of \$10 covering the recordation fee.

Please record the above Rider under Master Lease No. 1100, dated February 28, 1986, executed by and between Itel Rail Corporation and Iowa Interstate Railroad, Inc., which was filed with the ICC on April 7, 1986 and given Recordation No. 14935.

The names and addresses of the parties to the aforementioned Rider are listed below:

Itel Rail Corporation (Lessor)
55 Francisco Street
San Francisco, California 94133Iowa Interstate Railroad, Inc. (Lessee)
818 Church Street
Evanston, Illinois

The Rider adds fifteen (15) 50'6", 70-ton, Plate B, XM boxcars to the aforementioned Master Lease. Car D.D. Number 1A15 4000-4014

Once filed, please return to the bearer the stamped counterparts not required for filing purposes together with the fee receipt and a letter from the ICC acknowledging this filing.

Very truly yours,

Philillores
Josie Villaflores
Legal AssistantJV:ps
Enclosurescc: Robert S. Clark
J. Michael Kelly
Ginny Hanger

6-153A041

No. 14935
Date JUN 2 1986
Fee \$ 10.00

ICC Washington, D. C.

ICC OFFICE OF
THE SECRETARY
JUN 2 12 40 PM '86
MOTOR OPERATING UNITThis one
is 14935-C*C. O. ...**Harold ...*

Interstate Commerce Commission
Washington, D.C. 20423

6/2/86

OFFICE OF THE SECRETARY

Josie Villaflores
Legal Assistant
Ite! Rail Corp.
55 Francisco St.
San Francisco, Calif. 94133

Dear Sir:

The enclosed document(s) was recorded pursuant to the provisions of Section 11303 of the Interstate Commerce Act, 49 U.S.C. 11303, on 6/2/86 at 12:45pm and assigned re-
recordation number(s) .9168-I & 14935-C

Sincerely yours,


James H. Bayne
Secretary

Enclosure(s)

14935-C
05/02/86

REGISTRATION NO. 14935-C Filed 1425

JUN 2 1986 -12 45 PM

INTERSTATE COMMERCE COMMISSION

RIDER B
TO
MASTER LEASE NO. 1100 BETWEEN ITEL RAIL CORPORATION
AND IOWA INTERSTATE RAILROAD, LTD.

THIS RIDER B ("Rider B") to that certain Lease Agreement, as amended, (the "Agreement") made as of February 28, 1986 between Itel Rail Corporation ("Lessor") and Iowa Interstate Railroad, Ltd. ("Lessee") is made this 28th day of May, 1986 between Lessor and Lessee.

The parties agree as follows:

1. All terms defined in the Agreement shall have the meanings defined therein when used in Rider B.
2. Lessor hereby leases the following Cars to Lessee subject to the terms and conditions of the Agreement and this Rider B:

A.A.R. Mech. Desig.	Description	Numbers	Length	Dimensions Inside Width	Height	Doors Width	No. of Cars
XM	70-Ton Boxcar Plate B, Cushion underframe	IAIS 4000-4014	50'6"	9'6"	10'7	10' Sliding	15

3. With respect to the Cars listed in Section 2 of this Rider B only, the first sentence of Subsection 3.A. of the Agreement is replaced by the following:

"Lessee shall, at its expense, remark each Car with the railroad markings of Lessee and shall change the mechanical designation of each Car from 'XP' to 'XM' in accordance with all applicable regulations."

3. A. The term of the Agreement with respect to each Car listed on this Rider B shall commence at 12:01 a.m. on the date and at the location that such Car is remarked pursuant to Subsection 3.A. of the Agreement and shall expire as to each Car three (3) years from the date on which the first Car on this Rider B was remarked (the "Initial Term"). Lessor may terminate any or all Car(s) from the

Agreement at any time upon sixty (60) days' prior written notice to Lessee.

- B. If this Agreement has not been terminated early and no unremedied default has occurred pursuant to Section 9 of the Agreement, the Agreement shall be extended only upon the mutual written agreement of the parties hereto (the "Extended Term").

4. Lessee agrees to pay to Lessor the following rent for the use of the Cars listed on Rider B:

A. Definitions

(i) "Per Diem Revenues" is defined as the total per diem revenues earned and due from other railroad companies for the use or handling of the Cars, whether or not collected and received by Lessor and undiminished by any claimed abatement, reduction or offset caused by any action of Lessee. Upon any such abatement, reduction or offset, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.

(ii) "Mileage Revenues" is defined as the total mileage revenues earned and due from other railroad companies for the use or handling of the Cars, whether or not collected and received by Lessor and undiminished by any claimed abatement, reduction or offset caused by any action of Lessee. Upon such abatement, reduction or offset, Lessee shall, within ten (10) days of Lessor's request, reimburse Lessor for such amounts.

(iii) "Revenues" is defined as the sum of Per Diem Revenues and Mileage Revenues.

(iv) The "Utilization Rate" of the Cars is defined as a fraction, the numerator of which is the aggregate number of days in each calendar year, or applicable portion thereof, that Revenues were earned on the Cars commencing from Delivery, and the denominator of which is the aggregate number of days in each calendar year, or applicable portion thereof, that the Cars were on lease to Lessee, commencing from the Delivery.

- B. Lessor shall receive all Revenues earned by each Car prior to its Delivery. Each Car delivered pursuant to Subsection 3.A. of the Agreement shall become subject to the rental calculation under Subsection 4.C. of this Rider B upon the Delivery of such Car.

C. Lessee shall pay the following rent to Lessor:

D. The calculations required in Subsection 4.C. of this Rider B shall be made within five (5) months after the end of each calendar year ("Final Calculation"). However, in order for Lessor to meet its financial commitments, Lessee shall report to Lessor by the sixtieth (60th) day after each calendar month in which Revenues were actually earned ("Service Month"), the total hours earned, total miles travelled off Lessee's line, total miles travelled on Lessee's line and the dollar figure equal to one hundred percent (100%) of the earned Revenues. Lessee shall remit to Lessor all Revenues within twenty (20) days after Lessee receives such Revenues, provided, however, that Lessee pays to Lessor one hundred percent (100%) of the earned Revenues and the Fee, if applicable, for each Service Month within one hundred twenty (120) days after such Service Month. In the event that any received Revenues are not remitted to Lessor by Lessee within twenty (20) days after Lessee receives such Revenues ("Late Revenues"), Lessee shall pay to Lessor additional amount ("Late Fee") equal to ten percent (10%) of the Late Revenues. If the car hire records relating to the Cars are maintained by a party other than Lessee, Lessee hereby grants Lessor the authority to inspect such records during such party's normal business hours, provided, however, that Lessor shall notify Lessee at least ten (10) days before such inspection occurs.

E. Lessee shall at no time discriminate against the Cars in the provision of off-line loads, operation, use and maintenance as compared with any comparable boxcars, including boxcars owned, leased or managed by Lessee or interchanged to Lessee.

5. A. Upon the expiration of the Agreement with respect to any Car, Lessee shall promptly return such Car to Lessor as follows:

(i) If some or all of the Cars are to be delivered to Lessor at Lessee's railroad tracks, Lessee shall be responsible for any transportation costs incurred in moving such Cars to the Lessee's railroad tracks subsequent to the time of expiration. Lessee shall, at Lessor's option, provide, with respect to any Car described on any Schedule which is either on the Lessee's railroad tracks at the time of expiration or is subsequently returned to Lessee's railroad tracks, up to

one hundred twenty (120) days free storage on its railroad tracks from either the date of expiration or the date the last Car on such Schedule is returned to Lessee's railroad line subsequent to the time of expiration, whichever date is later.

(ii) Upon expiration or in the event that Lessor terminates any Cars(s) from the Agreement pursuant to Subsection 3.A. of this Rider, at the option of Lessor, either Lessor or a contractor chosen by Lessor shall, at Lessor's expense, remark the Cars as set forth in Subsection 10.C. of the Agreement. Lessee shall not remove Lessee's railroad marks from any Car without the prior written consent of Lessor. After remarking, Lessee shall load each Car with freight and deliver such Car to a connecting carrier for shipment.

(iii) If some or all of the Cars are to be delivered to Lessor at a location other than Lessee's tracks, the cost of assembling, delivering, storing, and transporting each Car to such location shall be borne by Lessor. Lessee shall bear the expense of remarking each Car, except for any Car(s) which are terminated from the Agreement by Lessor pursuant to Subsection 3.A. of this Rider B.

B. Remarking, with respect to each Car, shall include the following: a) removal of existing mandatory markings of Lessee; b) complete cleaning subsequent to the removal of markings as designated by Lessor; c) application of new mandatory markings; and d) any transportation involved in moving each Car to and from a suitable work area to perform the remarking set forth in this Section.

6. Except as expressly modified by this Rider B, all terms and provisions of the Agreement shall remain in full force and effect.

7. This Rider B may be executed by the parties hereto in any number of counterparts and all said counterparts taken together shall be deemed to constitute one and the same instrument.

ITEL RAIL CORPORATION

By: *DD Hayes*

Title: President

Date: May 28, 1986

IOWA INTERSTATE RAILROAD, LTD.

By: *Harry S. McCalister*

Title: President

Date: May 13, 1986

STATE OF CALIFORNIA)
) ss:
COUNTY OF SAN FRANCISCO)

On this 28th day of May, 1986, before me personally appeared Desmond P. Hayes, to me personally known, who being by me duly sworn says that such person is President of Itel Rail Corporation, that the foregoing Rider B was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Ginny E. Hanger
Notary Public

STATE OF Illinois)
) ss:
COUNTY OF Lake)

On this 13th day of May, 1986, before me personally appeared Larry S. Meseloff, to me personally known, who being by me duly sworn says that such person is President of Illinois Interstate Railroad, that the foregoing Rider B was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Nailyn Cohen
Notary Public